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GENERAL

- 1. Prospects for East-West accord reviewed--US Ambas-sador Kirk in Moscow, in commenting on recent public proposals for high-level talks between the US, the UK, and the USSR, expresses the opinion that there are no new developments in Moscow indicating improved prospects for a basic settlement between the West and the USSR. Kirk adds that he does not expect a worthwhile agreement until the free world's collective security attains sufficient stability and promise of permanency to raise doubts in the minds of the Soviet leaders regarding their chances for gaining control of the world for Communism. The Ambassador also believes that an East-West compromise at this time can only be to the advantage of the USSR.
- 2. Yugoslavs reportedly refuse to compromise on Trieste—US Ambassador Dunn in Rome has learned from the Italian Foreign Office that Yugoslav Foreign Minister Kardelj recently stated in most emphatic terms that "under no circumstances" would Yugoslavia consider abandoning to Italy any portion of the Free Territory of Trieste now occupied by Yugoslavia. Dunn observes that this position is contrary to the whole spirit of the informal Italo-Yugoslav talks, which up to this time had been going quite favorably. The Ambassador adds that the Italian Government is most disappointed over this development, which would seem to put an end to the present attempt to settle the Trieste issue, unless the Yugoslavs were making a bargaining gesture.
- 3. Views on Yugoslav recognition of Ho Chi Minh--US Ambas-sador Allen in Belgrade suggests that it would have been virtually impossible for Yugoslavia, as an avowed Marxist state, to refuse the request of Ho Chi Minh (Moscow-trained

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leader opposing Bao Dai) for recognition of his regime as the government of Indochina. Allen points out that the Yugoslavs have been most anxious to establish contact with the Chinese Communists in order to hasten a split between Mao and the Kremlin and that Tito sees a possibility of accomplishing this through Ho. The Ambassador comments that Yugoslavia's primary value to the US at the moment arises from its position as a Marxist state independent of both the Cominform and the West and that Tito's recognition of Ho is consistent with his "independent" position.